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7 Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of THE) File No. 413 0094
12 COMMISSIONER OF CORPORATIONS OF)
13 THE STATE OF CALIFORNIA,) ORDER TO DISCONTINUE
14 Complainant,) RESIDENTIAL MORTGAGE LENDING
15 vs.) AND/OR SERVICING ACTIVITIES
16 OLYMPIA MORTGAGE CORP.) PURSUANT TO SECTION 50319,
17 Respondent.) CALIFORNIA FINANCIAL CODE
18)
19)

20 TO: OLYMPIA MORTGAGE CORP.
21 1716 Coney Island Avenue
22 Brooklyn, New York 11230

23 THE CALIFORNIA CORPORATIONS COMMISSIONER ("Commissioner") FINDS
24 THAT:

25 OLYMPIA MORTGAGE CORP. ("Olympia") has been disciplined by the State of New
26 York Banking Department ("New York"). New York suspended Olympia's mortgage banker
27 license for a period of 30 days, effective October 28, 2004, for diverting mortgage payments and
28 proceeds on at least 270 loans totaling over \$35 million. This action is substantially related to the
activity regulated under the California Residential Mortgage Lending Act (California Financial

1 Code Section 50000 et seq.), and therefore pursuant to California Financial Code section 50316,
2 grounds exist for disciplinary action by the Commissioner. Pursuant to Financial Code section
3 50316 a certified copy of New York's Order of Suspension against Olympia shall be conclusive
4 evidence of the events related therein.

5 Based on the foregoing, Olympia is conducting business in such an unsafe and injurious
6 manner as to render further operations hazardous to the public or to customers.

7 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
8 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California
9 Financial Code, that OLYMPIA MORTGAGE CORP. immediately establish a separate trust
10 account for all subsequent trust funds received by the licensee.

11 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

12 Section 50319 of the Financial Code provides as follows:

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14 (a) If the commissioner, as a result of any examination or from any report
15 made to him or her, shall find that any person subject to this division is in an
16 insolvent condition, is conducting business in an unsafe or injurious manner that
17 renders further operations hazardous to the public or to customers, has failed to
18 comply with the provision of Section 50317, has permitted its tangible net worth to
19 be lower than the minimum required by law, or has failed to comply with the
20 bonding requirements of Section 50205, the commissioner may, by an order
21 addressed to and served by registered or certified mail, or by personal service on that
22 person, and on any other person having in his or her possession or control any trust
funds or other property deposited in escrow with that person, direct discontinuance
of the disbursement, in whole or in part, of trust funds held by the licensee and order
the establishment of a separate trust account for all subsequent trust funds received
by the licensee. No person having in his or her possession any of these funds or
documents shall be liable for failure to comply with the order unless he or she has
received written notice of the order. Subject to subdivision (b), the order shall
remain in effect until set aside by the commissioner, or the person has been adjudged
bankrupt.

23 (b) Within 15 days from the date of an order pursuant to subdivision (a), the
24 person may request a hearing under the Administrative Procedure Act (Chapter 5
25 (commencing with Section 11500) of Part 2 of Division 3 of Title 2 of the
26 Government Code). Upon receiving a request, the matter shall be set for hearing to
27 commence within 30 days after the receipt unless the person subject to this division
consents to a later date. If no hearing is requested within 15 days after the mailing or
service of the notice and none is ordered by the commissioner, the failure to request
a hearing shall constitute a waiver of the right to a hearing.

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Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

DATED: October 29, 2004
 Los Angeles, California

WILLIAM P. WOOD
California Corporations Commissioner

By _____
DIAUN M. BURNS
Special Administrator
California Residential Mortgage Lending Act